

CHAPTER XII.

THE BANKS OF SOUTHERN EUROPE,

Development of Banking in Switzerland—The National Bank of the Swiss Confederation—The Bank of Spain and its Entanglements with the Treasury—Similar Situation of the Bank of Portugal — The Banks of Roumania, Bulgaria, and Servia—•The Greek Banks and the Effects of Specie Suspension—The Ottoman Bank.

BANKING in Switzerland had its earliest development at Basle and Geneva, which were long noted for the skill and wealth of their bankers, but banks of issue were not established in either city until 1845. The first Swiss bank of issue was established at St. Gall in 1836. The cantonal bank of Vaud and the Bank of Basle were established in 1845, the Bank of Commerce at Geneva in 1846, and the Bank of Geneva in 1848. The incorporation of banks of issue rapidly spread among those cantons which contained a considerable number of merchants, and in 1863 eighteen banks had been established, with forty-two agencies or branches. The aggregate circulation of these banks on December 31, 1862, was 18,468,122 francs (\$3,600,000), the cash reserve was 19,380,922 francs and the current accounts, representing deposits, 49,166,405 francs (\$9,800,000). * Eleven of these eighteen banks were established with the help of the cantonal governments and the remainder were established by private funds.

The Swiss banks preserved until 1875 a purely local existence and their operations and circulation rarely extended beyond the limits of the canton in which they were estab-

¹ Courcelle-Seneuil, 350.